

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

8th April, 1942.

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NEW SOUTH WALES.MONTHLY DIGEST OF BUSINESS STATISTICS.APRIL, 1942.GENERAL.

-Government control of production and trade continues to extend. Under pressure of enlistments and industrial expansion, unemployment has fallen to a very low level.

In all areas seasonal conditions have improved.

PUBLIC FINANCE.

Government revenue continues buoyant. The surplus of revenue over expenditure for July-Feb., 1942 was £m. 0.67 compared with £m. 0.32 for July-Jan., 1941-42, and an excess of expenditure of £m. 2.59 for July-Feb., 1940-41.

For July-Feb., 1941-42, expenditure from the Consolidated Revenue Fund was £m. 2.49 less than for July-Feb., 1940-41.

N.S.W. GOVERNMENT CONSOLIDATED REVENUE FUND AND BUSINESSUNDERTAKINGS.

Includes Unemployment Relief and Social Services Funds which were merged into Consolidated Revenue Fund as from July, 1941.

	EIGHT MONTHS ENDED FEBRUARY				
	1938	1939	1940	1941	1942
Revenue £m.	34.65	34.21	36.38	39.33	42.76
Expenditure £m.	34.72	39.55	42.04	41.92	42.09
Excess Revenue over Expenditure £m.	-	-	-	-	0.67
Excess Expenditure over Revenue £m.	.07	5.34	5.66	2.59	-

The latest published figures of the results of the Commonwealth Liberty Loan (open Feb. 10th to March, 17th) show subscriptions of £m. 48.08 made by 240,285 subscribers.

PRIVATE TRADING BANKS

On 13th March an order was issued under the Economic Organisation Regulations, fixing maximum rates of interest for bank overdrafts and fixed deposits, savings bank deposits and some other types of transactions. The maximum bank overdraft rate has been reduced to 5%. The last reduction was a decrease of $\frac{1}{8}\%$ from $1\frac{1}{4}\%$ on rates in excess of 5%. The rate payable on new fixed deposits and renewals has been reduced by $\frac{1}{4}\%$. The rates now are $1\frac{1}{4}\%$ for three months, $1\frac{1}{2}\%$ for six months, $1\frac{3}{4}\%$ for 12 months and 2% for 24 months.

The non-interest bearing deposits of the Australian Trading Banks increased by a further £m. 10.2 from December to February (£m. 190.3). Special war-time deposits with the Commonwealth Bank increased by £m. 21.2 to £m. 29.0. Advances fell from £m. 274.1 in December to £m. 262.9 in February.

SAVINGS BANKS,

Under the order issued on 13th March rates payable by the Commonwealth Savings Bank and the State Savings Bank of Victoria are fixed at 2% on the first £500 deposits and $1\frac{1}{2}\%$ on any further balance to £1,000. Except in special cases no interest is payable on balances in excess of £1,000. Other savings banks may pay $\frac{1}{4}\%$ above these rates.

/Withdrawals.....

Withdrawals for subscription to the recent Commonwealth Loan account for the fall in N.S.W. Savings Bank deposit of £m.2.3 from the end of January to the end of February.

N.S.W. - SAVINGS BANK AND WAR SAVINGS CERTIFICATES.

End of Month	Number of Savings Bank Accounts.	Savings Bank Deposits	Savings Bank Deposits - Increase from preceding month.	War Savings Certificates - Monthly purchases less repayments. (First issued March, 1940).
	No.	£'000	£'000	£'000
1939 Feb.	1,342	86,591	-233	-
1940 Feb.	1,339	87,167	452	-
1941 Feb.	1,361	86,135	563	179
1942 Feb.	1,379	90,647	-2,326	x
1941 July	1,350	88,522	722	299
Aug.	1,362	89,717	1,194	196
Sept.	1,372	90,735	1,018	173
Oct.	1,381	91,314	580	149
Nov.	1,389	91,499	186	207
Dec.	1,389	91,658	159	292
1942 Jan.	1,398	92,973	1,315	x
Feb.	1,379	90,647	-2,326	x

x Not available.

INVESTMENT

Following modification of the Economic Organisation Regulations, the Australian Stock Exchanges on March 11th resumed share dealings which had ceased from February 20th. Shares must now have been registered in the holder's name for five months before they can be sold without permission. Maximum and minimum share prices have been limited to respectively 10% above and below the market rates ruling on February 19th. Periodical adjustment of limits will be made. For semi-governmental debentures the minimum return to buyers has been fixed at $3\frac{1}{2}\%$ and the maximum return at 4%.

The regulation limiting profits to 4% will take effect from a date to be fixed by a resolution of both Houses of Parliament, but not earlier than 1st July, 1942, i.e. it will not apply to profits earned before 30th June, 1942.

Since resumption of trading the share market has been very slack and prices have slowly declined. The share price index compiled by the Sydney Stock Exchange (base 1934 = 100) stood at 109.7 on Dec. 31st, 1941, 97.7 on Feb. 19th, 1942, and 93.9 on March 30th, 1942.

The yield on Commonwealth Bonds rose during February to approximately the level of October, 1941. Mortgage rates are unchanged and little business is being done.

/TABLE.....

N.S.W. INVESTMENT.

Month.	Share Prices. Sydney 34 Active shares par = 100 (Govt. Statistician's Index).	Yield on Commonwealth Government Securities ^x Taxed at 1930 rates.		Rate of interest on First Mortgages ^o Three months ended month shown.	
		5 years & under 10.	10 years and over.	Rural	Urban
		%	%	%	%
1939 Sept.	183.0	3.98	4.04	5.2	5.5
1940 Feb.	191.1	3.53	3.50	5.4	5.7
1941 Feb.	183.5	2.98	3.00	5.1	5.5
1942 Feb.	156.5	3.07	3.17	5.0	5.5
1941 Sept.	191.3	2.95	3.15	4.8	5.5
Oct.	185.6	3.06	3.19	4.9	5.5
Nov.	181.5	2.94	3.13	4.9	5.5
Dec.	171.2	2.94	3.09	4.9	5.5
1942 Jan.	166.0	2.92	3.04	5.0	5.5
Feb.	156.5 ^x	3.07	3.17	5.0	5.5

^x Last Wednesday in month.

^o Weighted average rate excl. mortgages to banks and Government.

^x Feb. 1st to 19th only.

EMPLOYMENT.

Estimates of employment are now available, based on returns for the Commonwealth Pay Roll Tax (operative from July, 1941). Previous figures published in this bulletin were based on the State Wages Tax returns. This tax was not levied after October 1941. The two series are not comparable.

Pay-roll returns do not cover employers with a wages bill of less than £20 a week or charities. Rural workers and household domestics have been excluded from the employment estimates listed below. These cover about 85% of the total employed males (excl. rural employees and domestics), and 80% of total employed females (excl. the above classes).

Employment in N.S.W. has increased very rapidly over the war period. A large part of the unemployed have been absorbed. Independent workers and domestics have been drawn into industry and the reserve of female labour not normally employed, has been tapped. Total employment (excl. rural workers and household domestics and persons in the armed forces), shows an increase of 14% from July, 1939 to November, 1941. The percentage increase was greater in female employment (34%) than in male. The number of females employed rose by 55,300, and the number of males by 97,900. ~~42,600~~

From November to December, 1941 private employment of males decreased by 6,300. ~~5,700~~ This is partly due to the fact that pay-roll returns apply to the last pay-day in the month. Thus in most cases the December return would include seasonal "laying-off" in factories after Christmas, and would not include the full December increase in retail trade employment. The low December figure is also partly due to the call-up of militia units following the declaration of war on Japan in December. Note that female employment rose slightly from November to December. Private employment of males decreased.

/TABLE.....

N.S.W. - ESTIMATED TOTAL EMPLOYMENT (EXCL. RURAL AND HOUSEHOLD DOMESTICS)

Month	MALES			FEMALES			TOTAL.		
	Government (C'wlth., State & Local).	Private	Total	Government (C'wlth., State & Local)	Private	Total	Government (C'wlth., State & Local)	Private	Total
	'000	'000	'000	'000	'000	'000	'000	'000	'000
1933									
June	103.2	275.7	378.9	16.8	101.8	118.6	120.0	377.5	497.5
1939									
July	136.5	399.1	535.6	19.4	141.3	160.7	155.9	540.4	696.3
1941									
July	141.5	425.8	567.3	21.7	185.0	206.7	163.2	610.8	774.0
Aug.	142.1	429.9	572.0	22.1	186.2	208.3	164.2	616.1	780.3
Sept.	143.4	435.3	578.7	22.4	187.9	210.3	165.8	623.2	789.0
Oct.	143.7	434.7	578.4	22.7	190.2	212.9	166.4	624.9	791.3
Nov.	144.3	433.9	578.2	23.0	193.0	216.0	167.3	626.9	794.2
Dec.	146.4	428.2	574.6	23.4	193.7	217.1	169.8	621.9	791.7

In the table shown below, employees of State, semi-government and local government bodies are included in the first column and in the appropriate industry column when separate returns are supplied (e.g. Railways). The division by industries shows the trend of employment only not the actual numbers engaged in each industry. The total employment of each firm is included under the appropriate heading to which the firm is classified according to its predominant type of activity.

Transport and Retail Trade are the only industries showing increased employment from November to December. Building employment has decreased steadily from September, 1941, owing to government restrictions, shortage of material, and the attraction of other employment.

N.S.W. EMPLOYMENT OF WAGE AND SALARY EARNERS AS RECORDED ON PAY ROLL TAX RETURNS.

Last pay-day in Month.		EMPLOYEES RECORDED BY:					
	All Employers furnish- ing returns.	Employers whose main activity was:					
		Mining & Quarrying.	Workshop & Factory.	Building & Construction	Trans- port.	Retail Trade	Other Com- merce & Fin- ance.
		M A L E S '000.					
1941-July	483.2	21.7	201.6	20.5	77.5	31.6	47.2
Aug.	489.2	21.5	203.2	19.7	80.8	31.1	47.7
Sept.	497.7	21.8	207.0	20.3	81.1	31.6	48.0
Oct.	497.1	21.5	206.7	19.4	82.6	31.2	48.7
Nov.	495.3	21.7	207.7	19.0	81.3	31.8	48.4
Dec.	491.6	21.7	205.7	17.7	84.6	31.6	46.5
		F E M A L E S '000.					
1941-July	164.9	0.2	75.7	0.5	3.2	31.7	18.9
Aug.	166.7	0.2	77.1	0.5	3.3	31.2	19.3
Sept.	168.7	0.2	77.8	0.5	3.3	31.5	19.6
Oct.	171.0	0.2	78.6	0.5	3.5	32.2	20.1
Nov.	174.0	0.2	79.2	0.5	3.6	33.7	20.6
Dec.	174.8	0.2	78.6	0.5	3.6	35.1	20.4
		T O T A L '000.					
1941-July	648.1	21.9	277.3	21.0	80.7	63.3	66.1
Aug.	655.9	21.7	280.3	20.2	84.1	62.3	67.0
Sept.	666.4	22.0	284.8	20.8	84.4	63.1	67.6
Oct.	668.1	21.7	285.3	19.9	86.1	63.4	68.8
Nov.	669.3	21.9	286.9	19.5	84.9	65.5	69.0
Dec.	666.4	21.9	284.3	18.2	88.2	66.7	66.9

The demands of the fighting services and war-time industrial development have reduced unemployment to an extraordinarily low level. The number of unemployed adult males registered at N.S.W. State Labour exchanges has fallen from 52,107 in July, 1939 to 3,544 in February, 1942. Of these 867 are on part-time relief work. A large part of the remaining 2,677 are unemployable. It should be remembered that these figures exclude some persons temporarily unemployed and those who apply for work through other channels.

N.S.W. UNEMPLOYED ADULT MALES REGISTERED AT STATE LABOUR EXCHANGES.

End of Month.	In Industrial Areas	In Other Areas.	Total	Part-time relief workers.	Full-time Equivalent.	Registered Unemployed not on relief work.
1939 July	38,681	13,426	52,107	20,456	9,606	33,141
Dec.	34,442	11,019	45,461	14,212	6,825	32,613
1940 June	32,783	11,418	44,201	11,302	5,390	33,624
Dec.	20,358	8,383	28,741	9,310	4,478	19,861
1941 Jan.	20,424	8,159	28,583	9,512	4,506	19,438
Feb.	19,264	6,723	25,987	10,056	4,654	16,298
Mar.	17,406	5,460	22,866	10,040	4,654	13,193
Apr.	15,333	5,075	20,408	9,859	4,516	10,919
May	14,231	4,466	18,697	8,882	3,972	9,815
June	12,943	4,250	17,193	8,226	3,669	8,967
July	11,924	4,031	15,955	7,279	3,268	8,676
Aug.	10,252	3,454	13,706	6,645	2,883	7,061
Sept.	9,141	3,253	12,394	6,160	2,910	6,234
Oct.	8,233	2,744	10,977	5,583	2,598	5,394
Nov.	7,020	2,213	9,233	4,923	2,307	4,310
Dec.	5,838	1,981	7,819	4,213	2,860	3,606
1942 Jan.	2,725	2,016	4,741	1,317	623	3,424
Feb.	2,130	1,414	3,544	867	400	2,677

^x Includes 4,650 workers on N.E.S. work who were subsequently taken off the register.

FACTORY STATISTICS.

There was a seasonal decline in the operations of 42 large factories from December 1941 to January, 1942. Sales, number employed and wages paid all show a fall, but all are well above the monthly average for 1941.

N.S.W. - MANUFACTURING INDUSTRY -

Period	42 Large Factories			ALL FACTORIES.
	Sales	Employees	Weekly Salaries and Wages.	Index of Employment - 1928/29 = 100.
	£m.	Hundreds	Hundred £.	
1938 monthly average	3.16	235	960	^x 124
1939 "	3.26	232	969	^x 127
1940 "	3.59	243	1,056	^x 131
1941 "	4.40	277	1,326	^x 147
1941 July	4.64	284	1,353	158
Aug.	4.26	283	1,380	160
Sept.	4.75	269	1,365	162
Oct.	4.99	285	1,428	163
Nov.	4.73	289	1,467	164
Dec.	5.40	288	1,555	163
1942 Jan.	4.52	282	1,459	...

^x year ended June of year shown.

GAS AND ELECTRICITY.

The index of consumption of gas and electricity rose substantially from January to February although brown-out regulations and restrictions on the use of hot water still operated. The February index is still lower than that for any month since April, 1941, but this is attributable to the factors mentioned above and does not indicate a reduction in industrial activity as compared with the latter half of 1941.

CONSUMPTION OF GAS AND ELECTRICITY.SYDNEY AND SUBURBS.

Base: Average corresponding month 1929-31 = 100.

Year	July	Aug.	Sept.	Oct.	Nov.	Dec.	Calendar Year	Jan.	Feb.
1938-39	126	128	123	121	124	124	123	125	125
1939-40	134	135	134	135	136	131	131	136	135
1940-41	139	137	134	137	139	138	135	141	142
1941-42	149	151	151	154	152	153	148	141	145

TRADE AND COMMERCE.

Trade is still buoyant. Bank clearings in February were 2% above the monthly average for 1941. Wholesale and retail sales maintain a high level although the retail sales index for January is below the level of the last half of 1941.

The value of real estate sales for February, 1942 was the lowest for any month since November, 1940. Little business was done after the issue of the Economic Organisation Regulations on February 10th. These Regulations were later modified to permit sale of land where the vendor has been owner of the land for not less than 12 months prior to the date of sale and where the selling price does not exceed by more than 10% the reasonable price as at Feb. 10th, 1942.

The value of mortgages registered was slightly higher in February, 1942 than in January, but with that exception the February figure was the lowest since May, 1934.

N.S.W. BANK CLEARINGS, WHOLESALE TRADE, REAL ESTATE.

Period	Sydney Bank Clearings ^φ		N.S.W. ⁷ Wholesale Trade Sales.	Sydney Retail Trade. Index of Sales. Base: same period 1931.	N.S.W. Real Estate.	
	£m.	Index Base same period 1926/30.			Sales.	New Mortgages and Renewals (total urban and rural.)
	£m.		£m.		£m.	£m.
1938	942.4	101	193.0	143	37.4	27.0
1939	932.3	100	200.3	146	32.2	22.4
1940	1,074.8	113	203.8	156	31.1	16.5
1941	1,139.4	120	229.0	178	33.2	15.6
1941 Jan.	90.3	117 ^x	15.8	151	2.4	1.1
Feb.	82.0	114 ^x	17.5	159	2.6	1.3
Sept.	94.9	124 ^x	21.6	195	2.9	1.6
Oct.	101.8	123 ^x	18.3	205	3.0	1.4
Nov.	99.6	124 ^x	20.6	204	2.5	1.0
Dec.	104.9	124 ^x	20.3	184	3.0	1.2
1942 Jan.	92.0	123 ^x	-	160	2.8	.9
Feb.	97.1	123 ^x	-	-	2.5	1.0

^φ Excl. Treasury Bill transactions.

^x Three months ended month shown.

TRANSPORT.

Traffic on the railways, trams and 'buses continues to be heavy and the excess of revenue over earnings is high.

Figures previously published of the net ton-mileage of goods carried are no longer available. The series "tonnage of goods and livestock" given below shows the general increase in goods carried. Livestock forms a very small part of the total.

N.S.W. PUBLIC TRANSPORT.

MONTH	RAILWAYS - N.S.W.			TRAMS & 'BUSES - SYDNEY & NEWCASTLE.	
	Passenger Journeys.	Tonnage of Goods and Livestock.	Excess of revenue over working expenses (a).	Passenger Journeys.	Excess of revenue over working expenses (b).
	'000,000	'000	£'000	'000,000	£'000
1938-39	186.7	15,417	4,603	375.2	667
1939-40	179.1	13,620	5,308	378.3	700
1940-41	194.1	18,031	6,054	406.9	858
1938-39 July-Jan.	112	5,428	3,905	218.1	374
1939-40 July-Jan.	105	5,702	4,128	219.2	431
1940-41 July-Jan.	110	6,395	5,079	234.1	557
1941-42 July-Jan.	125	6,773	5,159	281.0	534

(a) Excl. interest, sinking fund and exchange which amounted to £m. 6.56 in 1939-40 and £m. 6.62 in 1940-41.

(b) Excl. interest, sinking fund, exchange and current depreciation which amounted to £m. 0.67 in 1939-40 and £m. 0.66 in 1940-41.

New motor registrations in February were slightly below the low level reached in January. The figure for February, 1942 was less than a fifth of that for February 1941. The total number of motor vehicles registered also continues to fall.

MOTOR VEHICLES - N.S.W.Excl. cycles and defence vehicles.

PERIOD	New Motor Registrations (av. number per week).	Total Number of Motor Vehicles Registered.		
		Cars.	Lorries & Vans.	Total
		'000	'000	'000
1939 Feb.	632	214	83	324
1940 Feb.	443	215	77	326
1941 Feb.	233	207	76	316
Oct.	82	191	75	297
Nov.	89	191	75	298
Dec.	94	184	76	295
1942 Jan.	49	184	75	288
Feb.	43	179	74	281

BUILDING PERMITS.

On 28th January, 1942 the Commonwealth Treasurer announced a ban on the commencement of work on dwelling places within 25 miles of the Sydney and Melbourne G.P.O.'s (V.B.S. 1942/2A p. 6). This has combined with other restrictions on building and the uncertainty of the war situation to reduce the value of private building permits granted in February to less than half that for January and little more than an eighth of the average monthly value of those granted in 1941. Temporary additions or alterations for A.R.P. purposes are excluded from these figures.

VALUE OF PERMITS TO ERECT NEW BUILDINGS & ADDITIONS.METROPOLIS.

Period.	PRIVATE BUILDING			GOVERNMENT BUILDING (Contracts accepted).
	City of Sydney	Suburbs	Total	Sydney and Suburbs.
	£'000	£'000	£'000	£'000
1938	3,410	10,633	14,042	x
1939	1,886	10,334	12,219	x
1940	1,534	10,184	11,718	849
1941	552	10,295	10,847	1,439
1941 Oct.	15	753	768	173
Nov.	16	792	809	98
Dec.	49	490	539	39
1942 Jan.	8	239	247	88
Feb.	198	102	121	80

x Not available.

RURAL INDUSTRIES

Seasonal conditions. Rainfall indexes for February show rain well above normal in sheep, wheat and dairying districts. For the South Coast sub-division of the dairying districts, however, the February index was only 69.

By the middle of March pastures were drying rapidly, but recent rains have been general. The drought has broken on the South Coast, and seasonal prospects in most areas are now good. A few late fodder crops have been sown in coastal districts. In inland districts there have been sufficient falls to promote growth of winter feed for wool-growing and stock-fattening, and to enable land to be prepared for wheat-sowing.

RAINFALL INDEX.

Weighted average ratio of actual to normal rainfall.
for each month = 100.

Average rainfall

Month	Sheep Districts	Wheat Districts	Dairying Districts (coastal only).
1941			
July	47	67	40
Aug.	37	41	38
Sept.	56	47	30
Oct.	75	75	53
Nov.	78	65	88
Dec.	34	38	30
1942			
Jan.	34	31	26
Feb.	147	158	180

Wool.

Most of the wool submitted for the current season showed the effect of adverse seasonal conditions. It was generally thinly grown and seed was noticeable in/clips....

clips from normally free wool districts. In the later shorn clips there was considerable discoloration.

At the request of the Director-General of Man Power, the Federal Shearing Organisation has forwarded to him a plan for zoning of shearing in the coming season in N.S.W., Victoria, and Tasmania.

The Minister of Commerce has announced that country centres will be used for appraisement, as storage of wool away from the seaboard is necessary. The Central Wool Committee disagrees with this decision.

Dairy Produce. N.S.W. butter production is still rising. Cheese supplies have not increased. Good rains have fallen on the South coast, but they have come too late to cause much increase in output for this season.

Meat. The Minister for Commerce has announced that the Commonwealth Government will pay 7.1d. per lb. for first quality headless pork sides and 7.6d. per lb. for first quality Wiltshire sides. There is a big demand for baconer pigs for the Army and for export. The total demand for pig meat in 1942 is expected to be about 40,000 tons (about 600,000 pigs) principally as flitches, hams and canned meat. To encourage production to meet this demand, the Commonwealth Government will supply feed wheat and barley at low prices to pig producers in the Eastern States.

Barley. A final payment of 1 $\frac{1}{2}$ d. a bushel is being made on barley in No. 2 pool (1940-41). This brings total payments to growers (subject to deduction for freight) to: 4/6 $\frac{1}{2}$ d. per bushel for two-row No. 1 grade, 3/5 $\frac{1}{2}$ d. for two-row feed grade; 4/0 $\frac{1}{2}$ d. per bushel for six-row No. 1 grade and 3/3 $\frac{1}{2}$ d. for six-row feed grade.

Maize. The N.S.W. Government Maize Expert expects the maize crop barely to exceed the low level reached in 1932 (2,670,000 bushels).

Dried Vine Fruits. The Minister for Commerce has announced that the Canadian Government has agreed to the purchase from Australia, of Canada's requirements of dried vine fruits for the coming season.

Vegetables. The possibility of a shortage of vegetables for the forces is causing concern. The Department of Supply and Development will purchase 40,000 tons of vegetables on a contract basis at the following prices, free on rail at country centres: swedes £5.10 per ton, silver beet £10, beetroot £9.10, parsnips £11, turnips £7, and carrots £11.

The Minister for Agriculture has asked any growers capable of accepting contracts for supply of vegetables, but handicapped by labour shortage, to forward full information to the Department of Agriculture.

Wool Districts (also Districts)	Wool Districts	Wool Districts	Wool Districts
81	78	74	70
82	79	75	71
83	80	76	72
84	81	77	73
85	82	78	74
86	83	79	75
87	84	80	76
88	85	81	77
89	86	82	78
90	87	83	79
91	88	84	80
92	89	85	81
93	90	86	82
94	91	87	83
95	92	88	84
96	93	89	85
97	94	90	86
98	95	91	87
99	96	92	88
100	97	93	89

THE WHEAT SITUATION.WORLD SITUATION.

Production. Figures for production in 1941 are only approximate for some areas. The following table summarises available information:

WORLD WHEAT PRODUCTION.

Country	1939 m.bushels	1940 m.bushels	1941 m.bushels
Northern Hemisphere:			
U.S.A.	751	812	945
Canada	521	540	299
Mexico	15	13	12
Total N. America.	1,287	1,365	1,256
Continental Europe	1,622	1,227	1,320
British Isles.	72	73	90
North Africa	149	113	128
Asia	626	660	595
Estimated Northern Hemisphere Total ex-U.S.S.R. & China.	3,863	3,545	3,496
Southern Hemisphere:			
Argentina	119	299	220
Australia	210	82	164
South Africa	15	16	16
Estimated World total ex- U.S.S.R. & China.	4,269	3,992	3,952

The world total has declined by 40 m. bushels from 1940 to 1941. Over this period production in North Africa and Europe (ex Russia) increased by 125 m. bushels while the production of the four big wheat-growing countries, U.S.A., Canada, Argentina and Australia declined by 105 m. bushels.

Surplus. In March 1942, Broomhall estimated that the present season's world surplus would be 181 m. qrs. (about 1,440 m. bushels), and next season several million quarters less. Estimated world stocks at 1st August 1938 were 593 m. bushels rising to approximately 1,400 m. in 1940 and 1,550 m. in 1941.

Broomhall holds that the post-war world will be able to consume wheat output at the present rate plus accumulated stocks. It is obvious that the governments of the big producing countries do not share this view. They are all restricting production. The countries now increasing their acreage are unlikely quickly to reverse this policy. The higher extraction rate introduced in Europe as a war time measure to economise the use of grain, is likely to persist because of the retention of a greater part of the thiamin content of the grain. Broomhall estimates that the U. Kingdom alone may save annually 28 m. bushels in this way. On the other hand in wheat-surplus countries the feeding of wheat to livestock and poultry is increasing. In 1936-37 less than 16 m. bushels were so used on Canadian farms, by 1940-41 the figure was 53 m. bushels and a further increase is expected in 1941-42. The U.S.A. C.C.C. has announced that it will sell 100 m. bushels as feed wheat.

Trade. World trade in wheat has fallen from 643 m. bushels in 1938-39 to 620 m. bushels in 1939-40 and approximately 490 m. bushels in 1940-41. Prior to the outbreak of war in the Pacific, trade for 1941-42 was expected to be about 400 to 450 m. bushels. This figure is now very unlikely to be reached. Broomhall's figure of shipments by Canada, U.S.A. and Argentina for the period 1st Aug. 1941 to 31st Jan. 1942 is 141 m. bushels. Canada alone is maintaining its export trade at the pre-war level.

The Food Research Institute estimates that during 1940-41 between 20 m. and 25 m. bushels of wheat were lost through the sinking of the vessels carrying it. Total losses from destruction and deterioration due to the war are estimated to have been between 40 m. and 60 m. bushels.

PRODUCTION AND TRADE - SOUTHERN HEMISPHERE.

Argentina. The first official calculation of the 1941-42 wheat crop is 220.5 m. bushels. Adverse weather conditions early in the season reduced the yield but harvesting conditions were favourable. Threshing was slow due to shortage of bags. Only 70% of requirements was available. Comparison with previous harvests is as under:-

ARGENTINE WHEAT PRODUCTION.

	5 year Average	10 year average	1939-40	1940-41	1941-42
Production m. bus.	253.4	239.6	130.7	299.5 ^x	220.5

x revised figure.

The probable surplus for export in 1942 is 232.6 m. bushels calculated as follows:-

	million bushels.
Exportable surplus 1941	209.7
Shipments in 1941	87.4
Carry-over into 1942	122.3
Estimated 1941-42 crop	220.5
Total supplies Jan.1, 1942.	342.8
Deduction for seed & domestic requirements	110.2
	232.6
Estimated shipments (Broomhall)	92.0
Available for carry-over	140.6

A minimum price guaranty has operated since November, 1933 when the Grain Board was established and given power to purchase wheat from farmers at fixed prices. The farmers were then free to sell in the open market if they wished. By a further decree in November 1940, sales to millers could only be made by the Board, and in November 1941 the sale of all wheat for export was taken over by the Board. Purchases at the minimum prices are only made from farmers who undertake not to increase their seedings for the 1942-43 harvest, and to reduce their sowings by up to 10% if requested by the Board.

The National Bank has notified the Government that the Grain Board's heavy overdraft cannot be increased. Purchases from farmers may be delayed until further finance can be arranged.

The Ministry of Agriculture has called tenders for the construction of 64 camp elevators with storage capacity of 150,000 tons.

Spain has signed a new contract for the purchase of 170,000 tons (6.3 m. bushels) of wheat. She is reported not to have fulfilled last year's barter agreement under which 350,000 tons of Argentine wheat was to be exchanged for certain other goods, including iron products.

Shipments to Brazil and neighbouring countries continue.

Australia. Latest estimates of the 1941-42 harvest are compared with previous years in the following table:

/Table,....

AUSTRALIA - WHEAT PRODUCTION.

State	Average 1929-30 to 1933-34	Average 1934-35 to 1938-39	1938-39	1939-40	1940-41	1941-42 (subject to revision)
	n.bs.	n.bs.	n.bs.	n.bs.	n.bs.	n.bs.
N.S.W	58.2	53.6	59.9	76.6	23.9	48.5
Vic.	42.3	34.5	18.1	45.0	13.5	44.0
S.Aus.	36.8	32.6	31.7	41.1	17.9	31.5
W.Aus.	42.6	29.0	36.8	40.9	21.1	38.0
Q'ld.	4.0	4.2	8.6	6.8	5.7	3.0
Total incl. Tas.and A.C.T.	184.5	154.3	155.4	210.5	82.2	164.1

The Victorian 1941-42 harvest is expected to exceed the official estimate of 44 n. bushels.

The area sown for the 1941-42 harvest was restricted under the Wheat Stabilisation Regulations, to a maximum for each grower of the average sown for the preceding four seasons. (The average for Australia from 1937-38 to 1940-41 was 13.5 n. acres). Actually the area sown was appreciably less than this.

AUSTRALIA - ACREAGE UNDER WHEAT.

State	1937-38.	1938-39	1939-40	1940-41	1941-42 (subject to revision)
	1000 acres	1000 acres	1000 acres	1000 acres	1000 acres
N.S.W	4,465	4,651	4,381	4,454	4,228
Vic.	2,686	2,748	2,827	2,673	2,878
S.Aust.	3,162	3,080	2,735	2,560	2,500
W. Aust.	3,026	3,412	2,970	2,625	2,687
Q'ld.	373	442	362	322	550
Total incl. Tas.& A.C.T.	13,735	14,346	13,285	12,645	12,653

In most wheat-growing areas February rainfall exceeded the average for the month, and further falls occurred at the end of March. In most areas, the soil is in good condition for ploughing preparatory to sowing next season's crop.

Shortage of labour and the rationing of super-phosphate are expected to reduce the area sown for the 1942-43 season, below the maximum allowed under the Commonwealth Government's plan, announced on the 9th March. The maximum acreage for growers in all states except Western Australia, is the same as for last season. Western Australia is to be limited to an estimated crop of 22 million bushels, a reduction of 11 million bushels. Compensation will be at the rate of 1/- per bushel of the compulsory reduction. Special provision was made for Western Australia because of its large surplus and the difficulties of transport. When making this announcement the Minister for Commerce appealed to all large wheat growers voluntarily to reduce their acreage. Some growers are sowing to grass areas previously under wheat. The use of such lands for grazing now will increase their capacity for grain-production in later years. Wheat-growers have also been asked not to transfer to growing of barley since there is a large carry-over from last season and no prospect of an export market.

The Minister for Commerce has stated that the Commonwealth Government will shortly assume control of bulk handling of wheat throughout Australia.

New Zealand. The Minister of Industries and Commerce has appealed to wheat growers to plant a minimum of 300,000 acres with wheat for the 1942-43 season. 258,000 acres were sown for 1941-42. The aim is self-sufficiency in wheat and flour in 1943. Growers of maize and oats are asked to maintain their present production of 275,000 acres and 10,000 acres respectively.

South Africa. South Africa's wheat crop is officially estimated at 14.5 m. bushels compared with 15.6 m. bushels a year ago. Drought conditions prevailed in most districts throughout the growing period.

PRODUCTION AND TRADE - NORTHERN HEMISPHERE.

U.S.A. The first official estimate of the area sown with winter wheat for the 1942 harvest, is 39,318,000 acres compared with 45,663,000 acres sown in 1940 for the 1941 harvest. This is the smallest winter wheat sowing for 17 years. Seasonal conditions were normal up to the end of January.

The Department of Agriculture has announced that there will be no change in the reduced acreage allotment for the 1942 spring wheat crop (1941, 16½ million acres).

Stocks of wheat on farms at 1/1/42 were 373.8 m. bushels, the highest 1st Jan. amount recorded. This is an increase of 95 m. bushels from last year (280.8 m. bushels) and amount to 39.5% of the 1941 crop. Average stocks on Jan. 1st from 1931 to 1940 were 220.7 m. bushels.

The total amount of 1941 wheat under loan on 3/1/42 was 348.4 m. bushels of which 113.4 m. bushels was stored on farms. In addition, the Commodity Credit Corporation held 1939 and 1940 pool wheat, stocks of which on 22/11/41 amounted to 174 m. bushels.

Some stored wheat had to be moved to make room for the 1941 crop, and other stocks were threatened with serious damage from weevils. To meet this position the C.C.C. in November 1941 announced that it would make wheat available at reduced prices for export or for milling for export, to approved areas. This programme is expected to result in a larger net return than any other plan for disposal of surplus wheat.

In a further attempt to dispose of old stocks, and possibly to prevent excessive price rises, the C.C.C. announced that it would offer for sale wheat from the 1939 and 1940 pools, at the market price provided that it were not less than 15 cents a bushel above the 1941 loan value at the point of storage. This price was changed for December and early January. On 16th January it was announced that the price from the 15th to the end of the month would be 16 cents above the 1941 loan value at terminals. Broomhall reports that during the third week in January the C.C.C. sold 11.5 million bushels without depressing the price level. The Corporation has said that it will sell a further 100 m. bushels as feed wheat.

Canada. Stocks are still very large. At mid-January they amounted to 498.0 m. bushels of which 64.5 m. bushels were held on farms as compared with 172.9 m. bushels at the same period last year.

Some trade estimates of carry-over at 31st July 1942 forecast a reduction of 100 m. bushels from last year's record of 480 m. bushels. This however, presupposes that the present rate of exports will be maintained. A more conservative view would be that exports for the remainder of 1941-42 should be at the 1940-41 rate. This would give a reduction of 70 m. bushels in carry-over to 410 m. bushels at 31st July 1942. Broomhall's forecast is for a carry-over of 362 million bushels at August 1st 1942 based on the assumption that the feeding of large quantities of wheat to livestock will continue.

Exports for August-December 1941 were 86.3 m. bushels compared with 54.7 m. bushels for August-December 1940. The increase was well maintained during the first half of January 1942.

By the end of September 1941, U.S.A. import of Canadian wheat had reached the 795,000 bushels permitted under the quota which was introduced from May 29, 1941.

It is estimated that approximately 50 m. bushels of feeding-stuffs will be moved in this crop year from the western to the eastern provinces under the Government's plan of free freight for such transfers (v.B.S 1942/21 p.10). The uneven distribution of hogs and barley supplies in the Prairie Provinces is expected to lead to the feeding of surplus wheat to hogs in barley-deficiency areas and the shipping of barley from surplus areas to the eastern provinces.

Europe (general)

Acres sown in Europe (excl. U.S.S.R.) in 1941 is estimated by the U.S.A. Department of Agriculture to have been 74.8 m. acres. This is an increase of about 2 m. acres from 1940, but is well below the 1935-37 average. The total crop was about 1,410 m. bushels as against 1,500 in 1940 and a 1935-37 average of 1,581 m. bushels. Shortage of suitable labour and lack of fertilisers have tended to reduce production. Supplies are below normal consumption and reserve stocks have been drawn on heavily.

The few available official estimates of European crops are shown below:-

EUROPEAN WHEAT CROPS.

Country	1941	1940	1939	1938	Average 1935-37
	m. qrs.	m. qrs.	m. qrs.	m. qrs.	m. qrs.
Spain	14.4	9.9	13.2	12.0	18.0
Portugal	1.9	1.2	2.4	2.0	2.1
Greece	3.0	4.1	4.8	4.5	3.5
Italy	32.8	32.7	36.7	37.7	33.4
Czecho-slovakia	x4.4	x4.0	x5.0	8.5	7.5
Sweden	1.5	1.9	3.9	3.7	3.1
Finland	.8	.9	1.1	1.2	.6
Total 7 countries	58.8	54.7	67.1	69.4	67.8

x Territory not included with Germany and Hungary.

("Broonhall's Corn Trade News", 7/1/42).

Both Britain and the continental countries experienced very cold weather during February, with frosts followed by snow. Yields are unlikely to be high. Field work is now in progress for the spring seeding.

United Kingdom. In order to release shipping for other purposes, the Minister of Food decided early in 1942 to draw more heavily on wheat held by growers. Therefore the monthly fixed prices for home grown wheat were changed to give a premium for delivery in January, February and March. Wheat growers were granted priority in the allocation of threshing machines.

PRICE PER CWT. TO GROWER EX-FARM.

Month.	Former Scale	New Scale
	s. d.	s. d.
1942		
January	15 0	15 6
February	15 3	15 9
March	15 6	15 9
April	15 9	15 6
May, June	15 9	15 0
July	15 6	15 0

Further to conserve shipping the Minister of Food has forbidden the manufacture of white bread after April 3th. After March 23rd millers, unless under special licence, must manufacture national wheatmeal flour or some authorised type of brown flour.

Eire. For 1941, the area under wheat approached 500,000 acres and was the largest for 100 years. The aim for 1942 is 650,000 acres, and it may also be necessary to increase production of other cereals. Despite bread rationing the country is faced with a serious grain shortage.

Denmark. The preliminary official estimate of the 1941 wheat crop is 880,000 qrs. as compared with 870,000 qrs. (7 m. bushels) in 1940.

/Sweden.....

Sweden. The 1941 wheat crop is officially estimated at only 12.5 m. bushels as against 15.5 m. bushels in 1940, and the 1935-39 average of 26.4 m. bushels. Annual domestic requirements are normally about 24 m. bushels of wheat and 16 m. bushels of rye (1941 crop, 11.1 m. bushels).

Since 16th October 1941 it has been compulsory to mix all flour from wheat or rye, intended for human consumption, with at least 6% of barley.

Bulgaria. The Grain Monopoly Administration has assumed complete control of all buying and selling of wheat, rye and maslin. All exports are prohibited until after the 1942 harvest. Producers may retain only sufficient grain for their own use.

U.S.S.R. Large areas east of the line of German advance were sown to winter wheat. This will be augmented by spring sowings which will to a great extent determine the quantity of food available for the year. A vigorous propaganda campaign has been waged for increased food production, and it is officially stated that the harvest this year will at least equal that of 1941 and may be as good as that of 1940.

Turkey. An adverse season reduced the 1941 wheat harvest to 128.6 m. bushels as compared with 150.8 m. bushels in 1940 and an average of 135.7 m. bushels for 1935-39. No surplus is available for export and imports may be required. About 2.6 m. bushels of British owned wheat stocks have been shipped to Turkey.

The use of whole wheat flour is obligatory. Bread is made from a mixture of wheat, barley and rye, and is now rationed.

Egypt. The 1941 wheat crop was only 41.5 m. bushels compared with 50 m. bushels in 1940 and 45.8 m. bushels average for 1935-39. Various measures have been introduced in order to increase wheat supplies. In June 1941 maximum prices were fixed to prevent price speculation following the grain shortage. In September, declaration of supplies held in excess of family requirements was made compulsory, and sale of ~~at~~ least part of the surplus to the Government was enforced. The Government then offered a bounty to farmers cultivating 5 feddans (5.2 acres) or more for every feddan diverted from cotton to wheat, barley or beans. This offer was made too late to have a large effect on sowing for the 1942 harvest. In November it was announced that the British Government would purchase all of the 1942 harvest in excess of home requirements (about 49.6 m. bushels) at a price not less than the Egyptian Government's 1941 fixed price.

By a proclamation of 25/9/41 it was made illegal to make or sell, without special permission, any bread not containing 15 parts of rice flour to 100 parts of wheat flour of 90% purity.

Orient. Recent estimates of the Oriental wheat crop made by the American consulate at Shanghai, remain at 803 m. bushels. An increased estimate for Japan offset a reduction for Manchuria. Estimated production in 1940 was 794 m. bushels. The increase of 9 m. bushels is in the Chinese crop. Chinese stocks are low and prices high.

India. The condition of spring crops is now satisfactory.

PRICES.

U.S.A. The U.S.A. Price Control Bill has now become law. Under it the Price Administrator is forbidden to fix maximum prices for agricultural produce at less than the highest of the following levels: 110% of parity; the market price on 1st October 1941; the market price on 15th December 1941 and the average price between 31st Jan., 1919 and 30th June 1929.

July options on the Chicago market have fallen from 131 $\frac{1}{2}$ cents per bushel average for February to 129 $\frac{5}{8}$ cents for March. The March price is still well above the average for December 1941 of 126 $\frac{7}{16}$ cents.

Canada. Winnipeg quotations for July options in March averaged 80 $\frac{1}{4}$ cents per bushel. For February 1942 the average price was 80 $\frac{7}{8}$ cents, and for December 1941 it was 79 $\frac{5}{16}$ cents.

Argentina. The buying price of the Grain Board remains at 6.75 pesos per quintal (about 54.7 cents per bushel) and its selling price to millers at 9.0 pesos per quintal (about 72.9 cents a bushel).

United Kingdom. The British Ministry of Food's prices for Australian and Argentine wheat are unchanged over the month at 27/6 per qr. and 22/1½ per qr. respectively. The price for Canadian wheat rose by 1½d. per Qr. to 33/3.

WHEAT PRICES - LONDON.
per quarter, f.o.b., sterling.

End of month.	No. 1 Manitoba	Rosafe (Argentine)	Australian.
1937 June	51 7½	not quoted	45 0
1938 June	39 7½	33 6	31 7½
1939 June	26 7½	not quoted	25 0
1940 June	29 9	" "	26 9
1941 March	32 1½	20 4½	27 6
October	31 0	21 6	27 6
November	31 9	22 0	27 6
December	33 10½	22 4½	27 6
1942 January	35 7½	22 7½	27 6
February	33 1½	22 1½	27 6
March	33 3	22 1½	27 6

Australia. Prices of wheat for export flour are not available for publication. The price of wheat for local flour has stood at 3/11½ per bushel, bulk, trucks, Sydney, since August 1940.